



Janet Napolitano, Governor
Stephen A. Owens, ADEQ Director

Water Quality Improvement Education Grant



**The Arizona Department of Environmental Quality
Water Quality Division**

Presents...

The 2008 Water Quality Improvement Education Grant



Funding provided by the United States Environmental Protection Agency



**For more information, contact the Water Quality Improvement Grant
Coordinator**

1110 W. Washington Street
Phoenix, AZ 85007

Phone: (602) 771-4635, or toll free at (800) 234-5677, Ext. 771-4635

ADEQ online: www.azdeq.gov
Water Quality Improvement Grant Program online:
www.azdeq.gov/enviro/water/watershed/fin.html

**Special Thanks to everyone who put their time and effort into this grant
manual:**

Rebecca Followill, Krista Osterberg, Gary Jambazian, Elizabeth Boettcher, Diana Marsh, Carol Aby, Phil Amorosi,
Jason Sutter, and Joan Card.

"No person shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving EPA assistance on the basis of race, color, national origin, or on the basis of sex in any program or activity receiving EPA assistance under the Federal Water Pollution Control Act, as amended, including the Environmental Financing Act of 1972"

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Introduction

The Arizona Department of Environmental Quality's (ADEQ) Water Quality Improvement Grant Program (WQIGP) administers funds from the United States Environmental Protection Agency (EPA) for implementation of education projects that ultimately reduce nonpoint source pollution in Arizona. This distribution of grant funds from EPA is provided pursuant to Section 319(h) of the Clean Water Act. The competitive education grant process is a new component of the program. The overall goal of this program is intended to promote statewide efforts to manage nonpoint source pollution.

Nonpoint source pollution is polluted runoff from many different sources and remains Arizona's largest source of water quality problems. Nonpoint source pollution occurs when rainfall, snowmelt or irrigation runs over land through the ground, picks up pollutants and deposits them into rivers, lakes and coastal waters or introduces them into the ground. Agriculture, forestry, grazing, recreational boating, urban runoff, construction, physical changes to stream channels, and habitat degradation are potential sources of nonpoint source pollution.

A large portion of nonpoint source pollution originates from "people pollution" because it can be caused by collective impacts of individuals interacting with the land. Some examples of human caused pollution include fertilizers, pesticides, lawn chemicals that have been applied incorrectly and even such seemingly benign acts as cars being washed in driveways. Stormwater runoff from these actions can pollute local water resources across the state. Nonpoint source pollution can also be created naturally from the environment. For example, erosion can naturally occur after a heavy rainfall, scour streambanks, and cause large trees to be uprooted.

These federal funds are granted to individuals, as well as public and private entities for implementing nonpoint source pollution education programs. Nonpoint source education must reach a broad and diverse audience, portraying to the public the importance of a holistic watershed approach for the protection and restoration of ecological systems.

Investing In Education

The WQIGP is committed to funding projects that result in the restoration of watersheds and improved water quality. This can be best achieved through projects that have a combination of an education component to promote behavioral changes, as well as an “on-the-ground” component where best management practices are implemented to directly reduce nonpoint source pollution to surface and ground waters. The WQIGP recognizes that through education based programs, improved water quality can be achieved. The WQIGP will invest funding in such projects for up to a two year period. To ensure that ADEQ is investing in the best education projects, a set of desired outcomes has been established. Successful projects will address all of the following criteria:

- Result in improved protection and awareness of water quality in Arizona
- Demonstrate educational benefits that are commensurate with project costs
- Self-evaluate to measure success in achieving the project’s proposed outcomes
- Provide at least 40 percent of the total project costs as nonfederal match
- Support ADEQ’s Water Quality Division Mission
- Comply with state and federal regulations

In addition, investment priority will be given to educational projects that achieve one more of the following:

- Lead to pollutant load reductions to impaired surface waters or ground water, such as providing education or training for on-the-ground projects
- Result in demonstrated long-term behavioral changes
- Offer hands on, active participation and in-the-field experiences
- Establish or strengthen local efforts to implement on-the-ground water quality improvement projects
- Implement a strategy to reduce recreational impacts
- Develop new tools for determining impairments or measuring effectiveness of on-the-ground water quality improvement projects
- Identify and prioritize critical sites where on-the-ground projects are needed to bring an impaired water to meet standards

Important Notes

- Payments are made on a cost reimbursement basis. Grantees must provide assurance that the work has been completed (receipts, invoices, etc.) in order to receive reimbursement.
- Administrative costs associated with the project must not exceed 10 percent (10%) of the requested funding.
- More than one project application per applicant may be submitted.
- Projects should be completed in two years or less.
- A grant must be awarded and a grant agreement executed before a project can be started.
- Equipment purchased as part of the project may remain with the grantee at the end of the project period unless it is determined in writing that the equipment should be returned to ADEQ.
- ADEQ may award 319 grants outside of this competitive process.

Eligible Applicants

Grant funding is far reaching. Anyone can apply for funding. Applications will be accepted but not limited to the following: private individuals, tribal authorities, universities, government entities, environmental groups, and watershed partnership.

Non-Federal Match Requirement

All applications must provide a minimum 40 percent (40%) non-federal match.

- Non-federal match funds may be cash, goods, equipment usage, and/or services. Some examples of items and in-kind services that may contribute to the non-federal match requirement include: cash, in-kind services such as donated labor, office space, equipment usage, existing building usage, and base salaries of existing employees.
- Match sources and/or activities must be pertinent to the proposed project. Match amounts must be fully identified in the proposed Budget.
- Entity providing match and associated cost must be identified.
- Federal agencies must be able to provide matching funds from non-federal sources. Federal salaries may not be used for match (and will not be reimbursed as project expenditures).

Note: All matching fund contributions or expenditures must occur within the effective dates of the Grant Agreement. ADEQ has the right to disallow contributions determined inappropriate or unreasonable.

Application Requirements

It is highly recommended that all interested parties consult with ADEQ staff regarding any questions on the application forms.

Follow these guidelines when preparing the application:

- Read and familiarize yourself with all chapters of this manual
- Complete the grant application package. Include all required schedules and attachments that are pertinent to your application
- Submit one (1) original, five (5) copies, and one (1) electronic version of the grant application package. Your package must be submitted in a sealed envelope or package. The original copy of the application should be clearly labeled "original" and must include the original *Grant Application Form* with an original ink signature by a person who is legally authorized to enter into an agreement on behalf of the applicant. The application should be in the sequence requested and include page numbers. *ADEQ will not provide any reimbursement for the cost of developing or presenting applications.* Failure to include requested information may result in the rejection of your application or may have a negative impact on the evaluation of the application
- **Late applications will not be accepted**
- ADEQ cannot accept submissions solely via fax or e-mail. The application must be physically delivered or mailed in paper copy

Grant Administration

In order to meet all grant administration requirements, the grantee is responsible for providing the following deliverables:

- Quarterly Reports / Budget Reports
- Requests for Reimbursement
- Maintained records of all costs incurred
- Final Report

Quarterly Reports/Budget Reports

Quarterly reports shall be submitted on a calendar quarterly basis. All quarterly reports and/or payment requests shall include, but are not limited to: a budget, a narrative progress report, and a Request for Reimbursement (as applicable). The budget must track the approved budget and report the budget expenditures (grant expenditures and match expenditures) for the current period and cumulatively.

The narrative progress report shall adequately discuss progress in completing the approved project milestones and discuss any delays or problems preventing expeditious completion of the project.

Reports must be received by ADEQ no later than 30 calendar days after the close of the quarter. Reports shall be in electronic format, unless requesting reimbursement, in which case a hard copy of the report must be submitted as well.

Requests for Reimbursement

Requests for reimbursement can be made at any time during the course of the grant. **Reimbursements will only be made if quarterly status reports are up-to-date.**

A complete request for reimbursement should include the following:

- A narrative status report describing current project activities.
- An update on all project milestones reported as percent completed.
- An original signed copy of the Request for Reimbursement Form (provided by your project manager at time of award).
- An updated budget sheet itemizing all current and cumulative costs.

Maintained Records of Costs Incurred

The Grantee is responsible for maintaining all records including supporting documentation adequate to demonstrate that costs claimed have been incurred, are applicable to the Grant, and comply with applicable cost principles. For any budget expenditures, the following documentation must be available to ADEQ upon request:

- Fringe Benefit detail and explanation.
- An itemization of per diem rates, equipment rental/usage rates, etc.
- Copies (or originals) of time sheets for employees and/or volunteers, with employee's and supervisor's signatures, noting dates, hours, and projects worked.
- Copies (or originals) of logs/schedules for equipment usage.

- Signed statements noting fair market value for in-kind donations of materials or supplies.
- Copies or originals of invoices for materials, supplies, equipment, etc.

Final Report

At the end of the project, a final budget report and final narrative report must be submitted and approved by ADEQ. The final narrative report shall include at a minimum: a summary of the project goals and objectives, project results or outcomes, aspects of the project that worked well and things that did not work well, any public involvement and coordination. ADEQ will not disburse final payment until the final report and all requirements of the Grant Agreement have been fulfilled. The grantee must submit three (3) hard copies of the report, as well as an electronic version.

Note: A file must be dedicated to this grant agreement and all records relevant to this project shall be retained by the Grantee for five (5) years after the final report is submitted.

Pre-Proposal

The pre-proposal is a new component of the education grant application process. Due to the highly competitive nature of educational funding, submission of a pre-proposal is recommended. This is an opportunity for the applicant to receive feedback prior to submitting an official application. The submission deadline for the pre-proposal will be announced in the Request for Grant Applications. There are many benefits to submitting a pre-proposal, such as early feedback on the strengths and weaknesses of the proposal and technical assistance in the development of the educational strategies designed to increase the success of the project.

The pre-proposal should be no more than 2 pages in length. The pre-proposal is **NOT** a requirement, however if the applicant chooses to submit a pre-proposal the following information should be addressed.

1. **Plan of action.** Clearly and briefly identify how the project will result in improved protection and awareness of water quality in Arizona.
2. **Outcomes.** Identify the outcomes the project strives to achieve.
3. **Self Evaluation.** Provide details on how success will be measured. Briefly explain the following if applicable:
 - a. Desired behavioral changes,
 - b. Retention of educational messages,
 - c. Active involvement by participants in water quality improvements or improvement projects
 - d. Success in terms of contributing to water quality improvements

Education Grant Application

Grant Application Form and Signature Page

Arizona Department of Environmental Quality Water Quality Improvement Grant Program <i>Grant Application Form</i>	
Project Title - <i>Please limit the length of the title to one line.</i>	
Project Description - <i>The project description should identify the type of project.</i> _____	
Authorizing Agency - <i>Enter the name of the company, agency, or tribal authority who is applying for the grant.</i> Name: _____ Address: _____ City: _____ State: _____ Zip Code: _____	Authorized Agency Contact - <i>Enter the name of the person who will be accepting responsibility for the terms and conditions of the Grant Agreement. This person must sign the signature page.</i> Name: _____ Title: _____ Phone #: _____ Fax #: _____ E-mail: _____
Project Manager - <i>Enter the name, title and contact information of the individual who will have the day-to-day knowledge of the project and should be contacted if clarification is required:</i> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> Name: _____ Address: _____ City: _____ State: _____ Zip Code: _____ E-mail: _____ </div> <div style="width: 45%;"> Title: _____ Phone #: _____ Fax #: _____ </div> </div>	
Project Period <input type="checkbox"/> 0 - 1 Year <input type="checkbox"/> Up to 2 years	
Project Costs Funds Requested: \$ _____ Matching Funds: \$ _____ Total Project Cost: \$ _____	
Are you or your organization currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity? <input type="checkbox"/> Yes <input type="checkbox"/> No	

Signature Page

The undersigned hereby offers and agrees to perform in compliance with all terms, conditions, specifications and scope in this grant application. Signature certifies understanding and compliance with the application attached hereto. ADEQ may approve the grant application with modifications to scope, methodology, schedule, final projects and/or budget.

Authorized Signature _____ Date _____

Print Name _____

Title _____

Company/Agency _____

The Grant Application Form must be signed by the individual legally authorized to act on behalf of the applicant in conducting all official business relating to the project. Signing this form and submitting a grant application package, certifies that the applicant has authority to enter into the agreement, accept funding, and fulfill the terms of the proposed project if approved. Applicant is required to read the Water Quality Improvement Grant Agreement Terms & Conditions and be legally authorized to enter into an agreement with ADEQ.

The education grant application should be concise and contain the following information:

1. **Project Summary:** Provide a synopsis of the proposal. Note that the project may be focused on specific surface waters or work more broadly with water quality issues. Include the following information if applicable:
 - a. How the project will result in improved protection and awareness of water quality in Arizona
 - b. Water quality issue(s) being addressed
 - c. Target audience and expected behavioral changes
 - d. Brief description of hands-on, active participation, and in-the-field experiences
 - e. Proposed locations, size, and numbers of classes, events and workshops
 - f. Please list other educational tools that will be used such as; brochures, signs, broadcast ads, and other promotional materials.
2. **Desired Outcomes:** Describe what the project ultimately strives to achieve. Include information on the following:
 - a. What are the educational benefits that ADEQ is investing in?
 - b. Identify the intended behavioral changes.
 - c. Describe how the education project will build on or help develop on-the-ground water quality improvement projects.
3. **Work Plan, Steps, and Milestones:** Develop a work plan with a series of steps and associated dates that are necessary to achieve desired outcomes. These steps provide a way to track progress to ensure that the overall outcome is completed in a timely manner. Each step must have a milestone that provides a description of what will be accomplished. For example, if the step is to conduct a workshop to present information, then the milestone might be education of at least 30 participants. A form is provided below.
4. **Self-evaluation of the project:** Explain how the project will measure the following if applicable:
 - a. Desired behavioral changes,
 - b. Retention of educational messages,
 - c. Active involvement by participants in water quality improvements or improvement projects
 - d. Success in terms of contributing to water quality improvements
5. **Budget:** Develop a budget based on the anticipated costs for completing the project within the proposed time schedule. Budget sheet is provided below.
6. **Organizational structure and key personnel:** Describe the organization that is requesting funds as well as the key personnel and their expertise. "Key personnel" includes all educators and the project administrators. Identify all partners including watershed groups, agencies, tribes, etc.

Work Plan, Steps, and Milestones

Workplan/Product Step	Milestone	Date Completed	Associated Costs

Budget

ADEQ Grant Award #

Project Title:

Time Period: From

To

Grant Expenditures	Original Budget	Prior Expenditures	Current Expenditures	Cumulative Expenditures	Budget Remaining
Admin. Costs (10% max)					
Project Admin.				\$8.00	\$0.00
				\$0.00	\$0.00
Direct Costs					
				\$28.00	\$14.00
Equipment				\$33.00	\$13.00
				\$38.00	\$15.00
Supplies				\$43.00	\$16.00
				\$48.00	\$17.00
Other				\$53.00	\$18.00
				\$65.00	\$64.00
				\$72.00	\$71.00
				\$79.00	\$78.00
Personnel					
Salaries				\$84.00	\$19.00
				\$2.00	\$0.00
Sub-totals	\$0.00	\$9.00	\$8.00	\$96.00	\$0.00

Match Expenditures	Original Budget	Prior Expenditures	Current Expenditures	Cumulative Expenditures	Budget Remaining
Admin. Costs					
Project Admin.				\$0.00	\$0.00
				\$0.00	\$0.00
Direct Costs					
				\$0.00	\$0.00
Equipment				\$0.00	\$0.00
				\$0.00	\$0.00
Supplies				\$0.00	\$0.00
				\$0.00	\$0.00
Other				\$0.00	\$0.00
				\$0.00	\$0.00
				\$0.00	\$0.00
				\$0.00	\$0.00
Personnel					
Salaries				\$0.00	\$0.00
				\$0.00	\$0.00
Sub-totals	\$0.00	\$0.00	\$0.00	\$106.00	\$0.00

Total Expenditures	\$0.00	\$96.00	\$97.00	\$98.00	\$99.00
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Water Quality Improvement Grant Agreement Terms and Conditions

1.0 Definition of Terms

- 1.1 ***“Applicant”*** means a person, firm, or other organization that submits or is considering submitting an application.
- 1.2 ***“Application”*** means a response submitted pursuant to a Request for Grant Applications (RFGA).
- 1.3 ***“Critical sites”*** are locations in the watershed where pollutant discharge is most apparent, mitigation actions are needed, and improvement project impacts can be readily measured.
- 1.4 ***“Days”*** means calendar days unless otherwise specified.
- 1.5 ***“Department”*** means the Arizona Department of Environmental Quality (ADEQ).
- 1.6 ***“Director”*** means the Director of ADEQ.
- 1.7 ***“Equipment”*** means tangible, nonexpendable, personal property, including supplies, having useful life of more than one year and an acquisition cost of \$1,000 or more per unit.
- 1.8 ***“Grant Agreement”*** means a written document, signed by an authorized representative of both parties, including the RFGA (including the manual referenced in the RFGA) and the application (including any revisions requested by the Department) and any Grant Agreement Amendments.
- 1.9 ***“Grant Agreement Amendment”*** means a written document, signed by an authorized representative of both parties for the purpose of making changes to the Grant Agreement.
- 1.10 ***“Gratuity”*** means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.11 ***“Grantee”*** means an applicant that is awarded a Grant Agreement.
- 1.12 ***“Manual”*** means the Water Quality Improvement Grant Manual.
- 1.13 ***“Records”*** means all books, accounts, reports, files and other records relating to this Grant Agreement.
- 1.14 ***“Request for Grant Applications”*** means the document the Department utilizes to request applications.

- 1.15 ***“Subcontract”*** means any contractual Grant Agreement, express or implied, between the Grantee and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Grant Agreement.
- 2.0 **Grant Agreement Interpretation**
- 2.1 ***Arizona Law.*** This Grant Agreement shall be interpreted under Arizona law and, if applicable, under federal law. The Department is authorized to enter into Grant Agreements by Arizona Revised Statutes (A.R.S.) Title 49. The Department is soliciting grants using the process given in A.R.S. Title 41, Chapter 24.
- 2.2 ***Implied Terms.*** Each provision of law and any terms required by law to be in this Grant Agreement are a part of this Grant Agreement as if fully stated in it.
- 2.3 ***Language and Marginal Headings.*** Language as used in this Grant Agreement shall include the plural as well as the singular and the masculine, feminine and neuter genders. Marginal headings are included for ease of reading only and shall have no effect on the construction or interpretation of this Grant Agreement.
- 2.4 ***Relationship of Parties.*** Neither party to this Grant Agreement shall be deemed to be the employee or agent of the other party.
- 2.5 ***Lobbying.*** Grantee shall comply with federal lobbying requirements pursuant to 40 CRF 34.100 and Office of Management and Budget (OMB) Circulars A-87 and A-122. Federal grant funds may not be used to influence (or attempt to influence) a federal employee. If non-federal funds have been used to influence (or attempt to influence) a federal employee, the Grantee must submit Standard Form LLL (“Disclosure of Lobbying Activities”).
- 2.6 ***Severability.*** The provisions of this Grant Agreement are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Grant Agreement.
- 2.7 ***No Parol Evidence.*** This Grant Agreement is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document.
- 2.8 ***No Waiver.*** Either party’s failure to insist on strict performance of any term or condition of the Grant Agreement shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3.0 **Grant Agreement Administration and Operation**

- 3.1 ***Drug-free Workplace.*** Grantees are required to certify that they maintain a drug-free workplace. By signing the Grant Agreement, the Grantee certifies that he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any grant-related activity.
- 3.2 ***Administrative Costs.*** Salaries, overhead, or indirect costs for administrative services provided and charged against activities and programs carried out with the grant shall not exceed 10 percent of the grant award.
- 3.3 ***Project Period.*** The Department agrees to reimburse Grantees for work activities performed during the project period as described in this Grant Agreement. The Department is not required to reimburse Grantee for any work activities initiated prior to execution of this Grant Agreement or after the project period has elapsed. The Grantee understands that the Department may terminate this Grant Agreement (see paragraph 9.5 of this Grant Agreement), if the project is not initiated within 3 months after entering into this Grant Agreement. The Department may extend the project period, if requested by the Grantee by executing a Grant Agreement Amendment (see 5.1, Grant Agreement Amendments).
- 3.4 ***Points of Contact.*** ADEQ designates the individual listed below as the Project Manager for budgeting, deliverable, and scheduling issues. Technical correspondence, invoices and reports from the Grantee shall be sent to the person below or a replacement identified by ADEQ.

Northern Project Manager

Arizona Department Environmental Quality
1110 W. Washington St
Phoenix, AZ 85007
Phone: 602-771-4551, 1(800) 234-5677 Ext: 771-4551

Southern Project Manager

Arizona Department Environmental Quality
1110 W. Washington St.
Phoenix, AZ 85007
Phone: (602) 771-4565, 1(800) 234-5677 Ext: 771-4565

- 3.5 ***Grantee's Representatives.*** The Grantee shall designate the individual listed in the application as "Project Manager" as its Representative. Any proposed changes that are requested for either project contacts or project team members for the awarded grant shall be requested in writing to ADEQ. Changes shall not be made without ADEQ approval.
- 3.6 ***Reports.*** A budget report and a narrative report shall be submitted on a calendar quarterly basis. Reports shall be sent to the Department no later than 30 calendar days after the close of the quarter. Reports shall be in electronic

format (disk or e-mail). A paper copy of the reports shall be mailed to the Department in addition to the electronic submittal. The reports shall include, but are not limited to, budget expenditures, in-kind expenditures, and a narrative of the project's progress, as applicable. Grantee must obtain ADEQ Project Manager pre-approval before any funds are relocated from the original/approved budget. The Grantee is responsible for responding to any inquiries from the Department and/or the U.S. Environmental Protection Agency.

At the end of the project, a final budget report and a final narrative report must be submitted and approved by the Department. The final narrative report shall include at a minimum: a summary of the project goals and objectives, project results or outcomes (including any data or photos), aspects of the project that worked well and things that did not work well, any public involvement and coordination and future activity recommendations for the watershed. An electronic format of the final report is required to close out the project. The Department will not disburse final payment until the final report and all requirements of the Grant Agreement have been fulfilled. All remaining grant funds or outstanding grant funds must be reconciled.

- 3.7 **Records and Audit.** Under A.R.S. § 35-214 and § 35-215, the Grantee shall retain and shall contractually require each subcontractor to retain all Records for a period of five years after the completion of the Grant Agreement. Upon request, the Grantee shall produce a legible copy of any or all such Records. All Records shall be subject to inspection and audit by the Department, and where applicable the Federal Government, at reasonable times.
- 3.8 **Printing Credit.** Items such as brochures, advertisements, videos, maps, and technical reports developed for the project must be approved by the ADEQ Project Manager prior to printing or displaying information. These items shall include the statement "Funded by a grant from the United States Environmental Protection Agency and the Arizona Department of Environmental Quality."
- 3.9 **Recycled Materials.** To the extent possible, printed materials shall be on recycled paper with the statement, "Printed on Recycled Paper," printed on the cover sheet.
- 3.10 **Nondiscrimination.** Code 40 of Federal Regulations (CFR) 7.30 prohibits discrimination under any program or activity receiving U.S. Environmental Protection Agency assistance on the basis of race, color, natural origin, gender, handicap, or age. The Grantee shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.11 **Inspection.** The Grantee agrees to permit access to its facilities and subcontractor facilities at reasonable times for inspection of the materials covered under this Grant Agreement.

- 3.12 ***Advertising and Promotion of Grant Agreement.*** The Grantee shall not advertise or publish information for commercial benefit concerning this Grant Agreement without the prior written approval of the Department.
- 3.13 ***Ownership of Information.*** Title to all documents, reports and other materials prepared by the Grantee in performance of this Grant Agreement shall rest in the Department, except for copyrighted material prepared in advance of this Grant Agreement by the Grantee at the expense of the Grantee. ADEQ and the U.S. Environmental Protection Agency shall have full and complete rights to reproduce, duplicate, disclose, perform and otherwise use all information prepared under this Grant Agreement, except for copyrighted material as provided in 6.1.2 of this Grant Agreement. The Grantee shall have full and complete rights to reproduce, duplicate, disclose, perform and otherwise use all information prepared under this Grant Agreement.
- 3.14 ***Equipment.*** Equipment purchased in whole or in part with grant funds should be itemized. Equipment that is purchased with grant funds may remain with the Grantee upon completion of the project unless the Department determines in writing that it is in the best interest of the State for the equipment to be returned to Department.
- 3.15 ***Small, Women/Minority Owned Business Utilization.*** Grantees are encouraged to make every effort to utilize subcontractors that are small, women-owned and/or minority owned business enterprises. This could include subcontractors for a percentage of deliverables made under this and subsequent agreements. Grantees who are committing a portion of their work to such subcontractors shall do so by identifying the type of service and work to be performed by providing detail concerning your organization's utilization of small, women-owned and/or minority owned business enterprises. Emphasis should be placed on specific areas that are subcontracted and percentage of agreement utilization and how this effort will be administered and managed, including reporting requirements.
- 3.16 ***Operation and Maintenance.*** Any management practices (nonpoint source pollution control measures, remediation, etc.) implemented for the project must be properly operated and maintained for the intended purposes or as defined in the special conditions of the Grant Agreement. Operation includes the administration, management, and performance of non-maintenance actions needed to keep the completed practices safe and functioning as intended. Maintenance includes work to prevent deterioration of the practice, repairing damage, or replacement of the practice to its original condition if one or more components fail.
- 3.17 ***Offshore performance of Work Prohibited.*** Due to security and identity protection concerns, all services under this Contract shall be performed within the borders of the United States. All storage and processing of information shall be performed within the borders of the United States. This provision applies to work performed by subcontractors at all tiers.

3.18 ***Federal Immigration and Nationality Act.*** By entering into this agreement, the Grantee warrants compliance with the Federal Immigration of Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Grantee shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Office upon request. These warranties shall remain in effect through the term of the agreement. The Grantee and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U. S. Department of Labor's immigration and Control Act, for all employees performing work under the agreement.

4.0 **Grant Funding**

4.1 ***Use of Grant Funds.*** Awarded grant funds shall be used solely for eligible purposes as approved by the Department. Line item funding is considered estimates of costs, however, the total project cost is considered exact and shall not be exceeded by the Grantee unless otherwise amended.

4.2 ***Payment Processes.*** The Department's payments for Grantees' contractors (excluding overhead) is limited to a maximum daily rate of \$513.60 and a maximum hourly rate of \$64.20. This amount does not include transportation and subsistence costs, in accordance with normal travel reimbursement practices.

Grantees may pay consultants more than this amount, but the excess amount may not be paid with grant funds.

4.3 ***Funding Disbursement.***

4.3.1 Transferred grant funds shall be deposited by the Grantee in a separate project account carrying the name and number of the project and the funds shall be expended from the account only as authorized under the terms of this Grant Agreement.

4.3.2 All matching fund contributions or expenditures must occur within the effective dates of the Grant Agreement.

4.3.3 All requests for reimbursement shall be accompanied by reasonable assurance (documentation, receipts, invoices, etc.) that the goods and services for which payment is requested were actually received and performed. The Department has the right to disallow contributions determined inappropriate or unreasonable.

4.3.4 Payments will be made upon approval by the Department.

4.4 ***Applicable Taxes.***

4.4.1 The Department shall reimburse only the rate and/or amount of taxes identified in the grant application and included in the costs within the approved budget or in any resulting Grant Agreement.

- 4.4.2 The Department is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the Grantee to remit. Failure to collect taxes from the buyer does not relieve the seller from the obligation to remit taxes.
- 4.4.3 Grantee and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Grantee. The Grantee shall require all subcontractors to hold the Department harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
- 4.4.4 In order to receive payment under any resulting Grant Agreement, the Grantee shall have a current IRS-W9 Form on file with the Department.
- 4.5 ***Non-Availability of Funds.*** Every payment obligation of the Department under this Grant Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not appropriated, allocated, or available for the continuance of this Grant Agreement, this Grant Agreement may be terminated by the Department at the end of the period for which funds are available.
No liability shall accrue to the Department in the event this provision is exercised, and the Department shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.
- 5.0 **Grant Agreement Changes**
- 5.1 ***Grant Agreement Amendments.*** The Grant Agreement shall be modified only through a Grant Agreement Amendment. Unauthorized changes to this Grant Agreement shall be void and without effect, and the Grantee shall not be entitled to any claim under this Grant Agreement based on those changes.
- 5.2 ***Subcontracts.*** The Grantee shall not enter into any Subcontract under this Grant Agreement without consideration for impact on the project. Grantee shall report any Subcontract awards or changes as part of that calendar quarter's narrative report (see 3.4, Reports). The Subcontract shall incorporate by reference the terms and conditions of this Grant Agreement.
- 5.3 ***Competition.*** Pursuant to 40 CFR 31.36, the Grantee shall conduct all procurement transactions in a way that provides open and free competition. Purchases for projects must be made on a competitive basis to ensure that fair and reasonable prices are obtained for goods and services. Grantee shall document cost or price analysis in connection with every procurement action regardless of amount.

- 5.4 ***Assignment and Delegation.*** The Grantee shall not assign any right nor delegate any duty under this Grant Agreement without the prior written consent of the Department. The State shall not unreasonably withhold consent. Both parties agree that it is reasonable to withhold consent where the Department determines that an assignment or delegation would not be advantageous to the State of Arizona or would be contrary to the purposes of the Water Quality Improvement Grant Program.

6.0 **Indemnification and Insurance**

- 6.1 ***Indemnification Clause.*** The parties agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the grantee for the vicarious liability of the State as a result of entering into this agreement. However, the parties further agree that the State of Arizona, its departments, agencies, boards, and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.

This indemnity shall not apply if the Grantee or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

The United States Federal Government, acting as a Grantee, does not have the authority to indemnify and hold harmless the State of Arizona from any and all claims, liabilities, losses damages, charges, etc. The State of Arizona does not have the authority to indemnify and hold harmless the United States Federal Government from any and all claims, liability, losses, damages, charges, etc. The State of Arizona will be responsible for errors, omission and negligence of its employees. The United States Federal Government will be responsible for the errors, omission and negligence of its employees to the extent provided by Congress under the Federal Tort Claims Act [28 U.S.C. 1346(b), 2401(b), 2671-2680, as amended by P.L. 89-506, 80-Stat.306].

- 6.1.1 ***No Obligation in Excess of Appropriations.*** Nothing in this Grant Agreement shall be construed as obligating the Department in the expenditure of funds or as involving the Department in any contract or other obligation of the future payment of money in excess of appropriations authorized by law and budgeted and approved by the Department.
- 6.1.2 ***Patent and Copyright.*** The Grantee shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Grant Agreement performance or use by the State of materials furnished or work performed under this Grant Agreement. The State shall reasonably notify the Grantee of any claim for which it may be liable under this paragraph. The United States Federal Government does not have the authority to indemnify and hold harmless the State of Arizona.

6.1.3 **Third Party Antitrust Violations.** The Grantee assigns to the State of Arizona any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Grantee, toward fulfillment of this Grant Agreement.

6.2 **Insurance Requirements.** The Grantee and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under his Grant Agreement, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Grantee, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Grant Agreement and in no way limit the indemnity covenants contained in this Grant Agreement. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Grantee from liabilities that might arise out of the performance of the work under this Grant Agreement by the Grantee, its agents, representatives, employees or subcontractors, and the Grantee is free to purchase additional insurance. Agencies of the United States Federal Government are self-insured, and shall submit a certificate of self-insurance (see 6.2.8.)

6.2.1 The Grantee shall provide coverage with limits of liability not less than those stated below.

6.2.1.1 **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability.

• General Aggregate	\$2,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Blanket Contractual Liability – Written & Oral	\$1,000,000
• Fire Legal Liability	\$ 50,000
• Each Occurrence	\$1,000,000

The policy shall be endorsed to include the following additional insured language: *“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insured with respect to liability arising out of the activities performed by or on behalf of the Contractor.”*

Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Grantee.

6.2.1.2 *Worker's Compensation and Employers' Liability*

Workers' Compensation Employers' Liability

	Statutory
Each Accident	\$ 500,000
Disease – Each Employee	\$ 500,000
Disease – Policy Limit	\$1,000,000

Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Grantee.

This requirement shall not apply to: Separately, each Grantee or subcontractors exempt under A.R.S. § 23-901, and when such Grantee or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

- 6.2.2 The policies shall include, or be endorsed to include, the following provisions:
- The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Grantee, even if those limits of liability are in excess of those required by this Grant Agreement.
 - The Grantee's insurance coverage shall be primary insurance with respect to all other available sources.
 - Coverage provided by the Grantee shall not be limited to the liability assumed under the indemnification provisions of this Grant Agreement.
- 6.2.3 ***Notice of Cancellation.*** Each insurance policy required by the insurance provisions of this Grant Agreement shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the Department. Such notice shall be sent directly to the Department and shall be sent by certified mail, return receipt requested.
- 6.2.4 ***Acceptability of Insurers.*** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Grantee from potential insurer insolvency.
- 6.2.5 ***Verification of Coverage.*** The Grantee shall furnish the Department with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Grant Agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the Department before work commences. Each insurance policy required by this Grant Agreement must be in effect at or prior to commencement of work under this Grant Agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Grant Agreement, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Grant Agreement shall be sent directly to the Department. The ADEQ grant/project number and project description shall be noted on the certificate of insurance. The Department reserves the right to require complete, certified copies of all insurance policies required by this Grant Agreement at any time.

- 6.2.6 **Subcontractor.** Grantees' certificate(s) shall include all subcontractors as insured under its policies or Grantee shall furnish to the Department separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to the minimum requirements identified above.
- 6.2.7 **Approval.** Any modification or variation from the *insurance requirements* in this Grant Agreement shall be made by the Arizona Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Grant Agreement amendment, but may be made by administrative action.
- 6.2.8 **Exceptions.** In the event the Grantee or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the Grantee or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

7.0 **Warranties**

- 7.1 **Key Personnel.** It is essential that the Grantee provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this Grant Agreement. The Grantee must assign specific individuals to the key positions. Once assigned to work under the Grant Agreement, Grantees shall not remove or replace key personnel without consideration for impact on the project.
- 7.2 **Compliance with Applicable Laws.** The materials and services supplied under this Grant Agreement shall comply with all applicable Federal, state and local laws. Grantee shall maintain and comply with all applicable licenses and permit requirements.
- 7.3 **Grantee's Representations and Warranties.** All representations and warranties made by the Grantee under this Grant Agreement and within the application shall survive the expiration or termination of the Grant Agreement.

If the Grantee is an agency of the federal government, it shall ensure the quality of workmanship on the project and that it will remain in good working order for the Useful Life of the improvement.

In addition, the parties acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, chapter 5.

8.0 **Department's Contractual Remedies**

8.1 ***Right to Assurance.*** If the Department in good faith has reason to believe that the Grantee does not intend to, or is unable to perform or continue performing under this Grant Agreement, the Department may demand in writing that the Grantee give a written assurance of intent to perform. Failure by the Grantee to provide written assurance within the number of days specified in the demand may, at the Department's option, be the basis for terminating the Grant Agreement.

8.2 ***Non-exclusive Remedies.*** The rights and the remedies of the State under this Grant Agreement are not exclusive.

9.0 **Grant Agreement Termination**

9.1 ***Conflict of Interest.*** The Grantee shall comply with standards of conduct pursuant to 40 CFR 31.36 to avoid conflict of interest. Recipients of federal funds may not participate in the selection, award, or administration of a contract if real or apparent conflict of interest would result.

9.2 ***Cancellation for Conflict of Interest.*** Pursuant to A.R.S. § 38-511, the State may cancel this Grant Agreement within 3 years after Grant Agreement execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Grant Agreement on behalf of the State is or becomes at any time while the Grant Agreement or an extension of the Grant Agreement is in effect an employee of or a consultant to any other party to this Grant Agreement with respect to the subject matter of the Grant Agreement. The cancellation shall be effective when the Grantee receives written notice of the cancellation unless the notice specifies a later time. If the Grantee is a political subdivision of the State of Arizona, it may also cancel this Grant Agreement as provided in A.R.S. § 38-511.

9.3 ***Gratuities.*** The Department may, by written notice, terminate this Grant Agreement, in whole or in part, if the Department determines the Grantee or a representative of the Grantee offered employment or a Gratuity to any officer or employee of the State of Arizona for the purpose of receiving favorable treatment, including the making of any determination or decision, concerning this Grant Agreement. The Department, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Grantee.

- 9.4 ***Suspension or Debarment.*** The State may, by written notice to the Grantee, immediately terminate this Grant Agreement if the State determines that the Grantee has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Execution of a Grant Agreement shall attest that the Grantee is not currently suspended or debarred. If the Grantee becomes suspended or debarred, the Grantee shall immediately notify the Department.
- 9.5 ***Termination for Convenience.*** The Department reserves the right to terminate the Grant Agreement in whole or in part at any time, when in the best interests of the State of Arizona without penalty or recourse. Upon receipt of written notice of termination, the Grantee shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the Department. In the event of termination under this paragraph, all documents, data and reports prepared by the Grantee under the Grant Agreement shall become the property of and be delivered to the Department. The Grantee shall be entitled to receive reimbursement for work completed and materials accepted before notification of termination. The Department is under no obligation to continue reimbursement for any work activities undertaken after notification of termination.
- 9.6 ***Termination for Default.*** The Department reserves the right to terminate the Grant Agreement in whole or in part due to the failure of the Grantee to comply with any term or condition of the Grant Agreement or to acquire and maintain all required insurance policies, bonds, licenses and permits. The Department shall provide written notice of the termination and the reasons for it to the Grantee.
- 9.7 ***Continuation of Work Activities After Termination.*** Termination of this Grant Agreement does not prohibit the Grantee from independently continuing work on the project, but any such independent continuation is solely the responsibility of the Grantee.
- 9.8 ***Disputes.*** The parties to this Grant Agreement agree to resolve all disputes arising out of or relating to this Grant Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518 except as may be required by other applicable state or federal statutes and law.